



THAKRAL CORPORATION LTD

(Incorporated in the Republic of Singapore on 7 October 1993)
(Company Registration No. 199306606E)

PRESS RELEASE

Thakral adds another Osaka office building to its Japanese property investment portfolio



Nikke Yotsubashi Building, Osaka

Singapore, 1 July 2019 – SGX Mainboard-listed Thakral Corporation Ltd (“Thakral” or the “Group”) has added another commercial property to its portfolio in Osaka, Japan, under its direct subsidiary in Singapore, TJP Pte. Ltd. (“TJPP”). TJPP, which was formed in 2018, is a pooled investment vehicle with equity interests from the Group and co-investors for investing in properties in Japan.

The Nikke Yotsubashi Building is a 10-storey office building centrally located on Yotsubashi Suji, a minute’s walk from Yotsubashi Subway Station. The property has a very broad street frontage along Yotsubashi Suji making it a valuable site. It is built on freehold land area of 881.2 sq m with a gross floor area (GFA) of 7,524 sq m. It has a net rentable area (NRA) of 5,105 sq m and is almost fully tenanted with a current occupation rate of 95%.

Built in November 1973, it has been extensively renovated, being fitted with an earthquake reinforcement structure in 2014-2015; minimal capital expenditure is expected on this property for the next 10 years.

With a view to streamlining the investment portfolio, TJPP has also acquired the previously announced Kitahama Building from the Group's other pooled investment vehicle, Thakral Japan Properties Pte. Ltd., which has a different shareholding structure. Kitahama Building is also an office building very close to the central business district in Osaka, a 5-minute walk from the Kitahama station on the Sakaisuji Line.

The latest investment increases Thakral's portfolio of real estate investments in Japan to 11 properties. The properties cover three hotels and eight commercial/office buildings in Osaka, the second biggest metropolis in Japan.

The latest investment is in the ordinary course of the Group's business and is part of its overall strategy to broaden its asset and earnings base in Japan to capitalise on the country's strong economic fundamentals and tourism boom.

Japan has grand ambitions to bring more than 40 million visitors to the country by 2020, and 60 million by 2030.¹

A strong leasing market has also underpinned the robust demand for property as rents are expected to rise by 7.5 percent in 2019.

Thakral's CEO, Mr. Inderbethal Singh Thakral said: "Japan's economy is enjoying a strong flow of both visitors and investments because of its improving economy and relatively stable currency. It is seeing steady financial and business growth.

Osaka (together with Tokyo) has been ranked among the top 10 most liveable cities in the world (according to the Economist Intelligence Unit's Global Liveability Index).²

These global reviews and the revival of Japan as a key business and leisure destination should assist in improving Japanese real estate values. We are therefore strengthening our presence to take benefit of the upside of such investments to enhance returns to our shareholders."

The investments, funded through bank borrowings and internal sources, have been made by TJPP and an indirect subsidiary, SJ Property Investments Pte. Ltd. which is wholly-owned by TJPP through the Group's existing TMK holding structure in Japan.

The Group will hold about 53% interest in TJPP where the investment has been funded by the shareholders of TJPP in proportion to their shareholding against subsequent issue of equity shares in TJPP.

¹ "How Japan Is Transforming Its Visitor Economy for the Next Wave of Tourism", 23 January 2019
<https://skift.com/2019/01/23/how-japan-is-transforming-its-visitor-economy-for-the-next-wave-of-tourism>

² "10 Major Cities in Japan: Which One Should You Visit?", 22 May 2019
<https://livejapan.com/en/in-tokyo/in-pref-tokyo/in-ueno/article-a0001601>

About Thakral

Listed on the SGX Mainboard since December 1995, Thakral Corporation Ltd has two divisions – Lifestyle Division and Investment Division.

The Group's Investment Division invests directly or with co-investors in real estate and other investment opportunities including property-backed financial instruments. The Group also earns income from the services rendered from originating, packaging and managing the projects. The Investment Division, through a joint venture, has expanded its businesses into development and management of retirement living resorts in Australia under the GemLife brand. Taking advantage of the upward trend in the Japanese property sector and the country's low interest rate, the Group has also expanded its investment footprint to Japan. With the completion of the acquisition of The Riverwalk office property, the Group has extended its property investments to Singapore.

The Group's Lifestyle Division is focused on marketing and distributing brands in the beauty, wellness and lifestyle categories, working with leading e-commerce platforms as well as traditional retailers. The brands distributed by the Lifestyle Division include at-home beauty and wellness device brands MTG Refa, ikoo, Panasonic, PMD, DermaWand, Philips, TriPollar, T3, MTG SIXPAD, Style Seat and Slendertone, skin and hair care brands John Masters Organics, Codage and Institut Karite Paris as well as lifestyle brands Apple and DJI. The Lifestyle Division is also creating an e-commerce retail platform for at-home beauty devices in China, in a joint venture with UK-based CurrentBody.com Limited, a leader in this space.

Greater China including Hong Kong, Southeast Asia and India are key markets for the Lifestyle Division and Australia, Japan and Singapore for the Investment Division.

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